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FISCAL IMPACT REPORT

SPONSOR Jennings DATE TYPED 2/11/05 HB _____

SHORT TITLE Critical Medical Residency Programs SB 338

ANALYST Hanika-Ortiz

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$750.0			Recurring	General Fund

SOURCES OF INFORMATION

LFC Files

Responses Received From

Commission on Higher Education (CHE)
 Health Policy Commission (HPC)
 Department of Health (DOH)

SUMMARY

Synopsis of Bill

SB 338 appropriates \$70 thousand from the general fund to the University of New Mexico for continued funding of the medical school residency programs at Eastern New Mexico Medical Center in Roswell, St. Vincent Hospital in Santa Fe and Memorial Medical Center in Las Cruces.

Significant Issues

DOH reports UNM is affiliated with hospital-based out-station hubs for graduate physician advanced training. These hubs are located in Roswell, Santa Fe and Las Cruces. Resident physicians from several UNMHSC departments rotate to the out-station hubs for part of their training. These rotations introduce the resident physicians to communities outside of Albuquerque, and are designed to positive impact on the ability of these communities to recruit physicians upon completion of their training.

The HPC notes that graduate medical education in New Mexico is funded by a combination of state and federal funds, and grant funds. The DOH reports recent changes in Medicaid reimbursement for physician graduate medical education have reduced the funding available for training of physicians outside of UNM's main facility

PERFORMANCE IMPLICATIONS

The appropriation proposed in SB 338 is consistent with the DOH strategic plan to increase the health workforce supply, in collaboration with other entities in New Mexico.

New Mexico has a serious physician shortage in all counties except Bernalillo and Los Alamos and are designated Health Professional Shortage Areas by the federal government. The continuation of programs such as at these three locations has helped communities achieve better access to physicians.

FISCAL IMPLICATIONS

The appropriation of \$750 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

The appropriation request was not in the list of priority projects submitted by the UNM to the CHE for review. Consequently, this request was not included in the Commission's funding recommendation for FY06.

ADMINISTRATIVE IMPLICATIONS

None indicated.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB209, UNM Medicine Combined Degree Program, appropriates additional funding for residency program expansion to promote retention of graduates in New Mexico.

TECHNICAL ISSUES

The HPC recommends an amendment tying future state support to demonstrated percentage target increases in residents who practice in the future in New Mexico with progress measured yearly with the Legislative Health and Human Services Committee:

OTHER SUBSTANTIVE ISSUES

HPC report a number of medical residency program graduates establish practices within fifty miles of where they completed their training. Of the 5,273 physicians who completed their residencies at the UNM School of Medicine, 1,302 (25%) are licensed to practice in New Mexico.

The Physician Supply in New Mexico published by the HPC study in 2003 confirmed the shortage. NM has 169 physicians per 100 thousand population compared with a recommended number of 240 per 100 thousand. From 1994 the number of UNM trained physicians practicing in New Mexico has grown 63%. In Chaves County there were 3 family practice physicians in 1999 and 6 in 2003. For Dona Ana County, there were 12 in 1999 and 18 in 2003. For Santa Fe County, there were 21 in 1999 and 33 in 2003.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

Impact to the amount of state funding available for the operation of the medical residency programs in Las Cruces, Roswell and Santa Fe.

The recruitment strategies for family practitioners for the rural areas of New Mexico might be affected.

POSSIBLE QUESTIONS

How many residents-in-training will the appropriation support at the three off-site rural hospitals?

Is UNM able to bill HMO's for the professional services rendered by residents-in-training?

AHO/lg